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SUBJECT: VIETNAM: AMBASSADOR'S CALL ON THE MINISTER OF FISHERIES

1. Summary. On January 26, the Ambassador paid his initial call on Minister of Fisheries Ta Quang Ngoc. The meeting focused largely on the benefits of trade and cooperation between Vietnam and the United States and the growing importance of Vietnam's fish and seafood sector. Minister Ngoc expressed his belief that the United States will not only continue to be a strong market for shrimp (despite additional import duties imposed on Vietnamese frozen shrimp imports stemming from the antidumping case), but that Vietnamese shrimp exports to the United States will increase in CY 2005 and beyond. Given the complex laws governing U.S. trade, it would be beneficial for both Vietnamese public officials and private traders to learn more about the U.S. legal system, Ngoc noted. Commenting on the January 8 incident between Vietnamese fishing boats and Chinese sea police that left nine Vietnamese dead and seven arrested, Ngoc said that it is in the best interest of both China and Vietnam to come up with a peaceful solution based on a fishing rights agreement ratified between the two countries last year. End Summary

2. On January 26, the Ambassador paid his initial call on Minister of Fisheries Ta Quang Ngoc. The meeting focused largely on the benefits of trade and cooperation between Vietnam and the United States and the growing importance of Vietnam's fish and seafood sector.

#### U.S.-Vietnam Trade in Fish and Seafood

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3. Minister Ngoc said that the basa (catfish) and shrimp antidumping cases brought against Vietnam have prompted the Vietnamese to learn more about the complex laws that govern U.S. trade. He predicted that bilateral trade would grow, so it would be beneficial for both Vietnamese public officials and private traders to learn more about the U.S. legal system. Ngoc readily acknowledged that the import duties imposed on Vietnamese shrimp imports by the United States were significantly lower than those imposed on China, noting that this was due to the fact that Vietnamese companies provided the U.S. government with good cost-of-production data and were able to demonstrate that Vietnam's fish sector does not benefit from government subsidies. Currently, the United States is Vietnam's second largest market for fish and seafood, after Japan. Shrimp and seafood exports to the United States will recover quickly from the dip in this sector experienced in 2004 and will increase in 2005 and beyond, Ngoc declared. The Minister stressed the importance of the fish and seafood sector to Vietnam's economy, especially the revenue it generates to poor fish farmers in the Mekong Delta and to fishermen along the coasts of Vietnam.

#### China-Vietnam Fishing Incident

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4. The Ambassador expressed his condolences to the families of the Vietnamese fishermen killed in the January 8 incident between Vietnamese fishing boats and the Chinese sea police. The Minister commented that the incident is quite serious and regrettable, but added that China and Vietnam are working together to understand clearly what transpired. He added that a solution to this incident should be based on an agreement signed between Vietnam and China in July 2004 that clearly stated fishing boundaries and rights.

#### Bilateral and Multilateral Relations

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5. The Ambassador urged Minister Ngoc to contact U.S. Embassy staff in Hanoi and Ho Chi Minh City regarding issues of concern to his Ministry. The Minister said that cooperation between the U.S. Embassy/USG and his Ministry has been very fruitful over the years, noting the beneficial exchange of information between his Ministry and the National Oceanic and Atmospheric Administration (NOAA), for example.

6. At 60, Minister Ngoc has a broad background in

fisheries. He was a teacher at the Nha Trang Fisheries University from 1966-84, rising to the rank of Minister of Fisheries in 1996. Minister Ngoc is a cogent and practical individual, who appeared to understand the U.S. justification for filing antidumping suits against Vietnamese shrimp and "catfish" and who made clear his desire to continue to forge closer relations on fisheries issues between the United States and Vietnam.

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